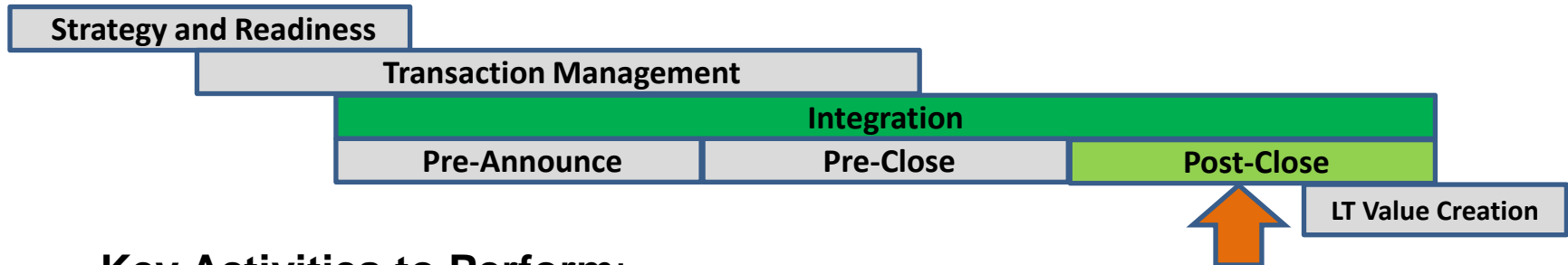


The Riskiest Days in Every Deal

M&A Lifecycle Milestone	Primary Risk Factors	Examples
1. Announcement Day	<ul style="list-style-type: none"> • Market risk • Adverse share-price impact • Competitive risk 	<ul style="list-style-type: none"> • Analyst community may reject or discount deal value proposition • Negative impact to buyer share price may persist over long period • Continued share-price pressure may cause management to be overly aggressive in providing earnings guidance based on value-capture objectives • Competitors likely to target buyer's key accounts and key talent during pre-close period due to high degree of uncertainty unaddressed by buyer
2. Day 1*	<ul style="list-style-type: none"> • Organizational risk • Leadership credibility risk • Cultural flashpoint risk 	<ul style="list-style-type: none"> • Lack of Day 1 readiness often freezes or disrupts organizations: <ul style="list-style-type: none"> • Unresolved me issues • New decision approvals / purchase authorities required • Conflicting workplace or cultural practices • Inability to access buyer's network and systems • Need to operate parallel systems / processes during transition
3. Operational cut-over	<ul style="list-style-type: none"> • Customer defection risk • Brand damage • Business performance risk 	<ul style="list-style-type: none"> • Customers expect seamless service during transition – if not, they defect • Acquirer's tend to take their "eye off the ball" at the worst possible time due to largely internally focused integration efforts • Unanticipated negative synergies or outright brand damage severely impacts financial performance and deal economics

* We define Day 1 as the first day of operational control, post-closing. Typically, the first day after legal close.

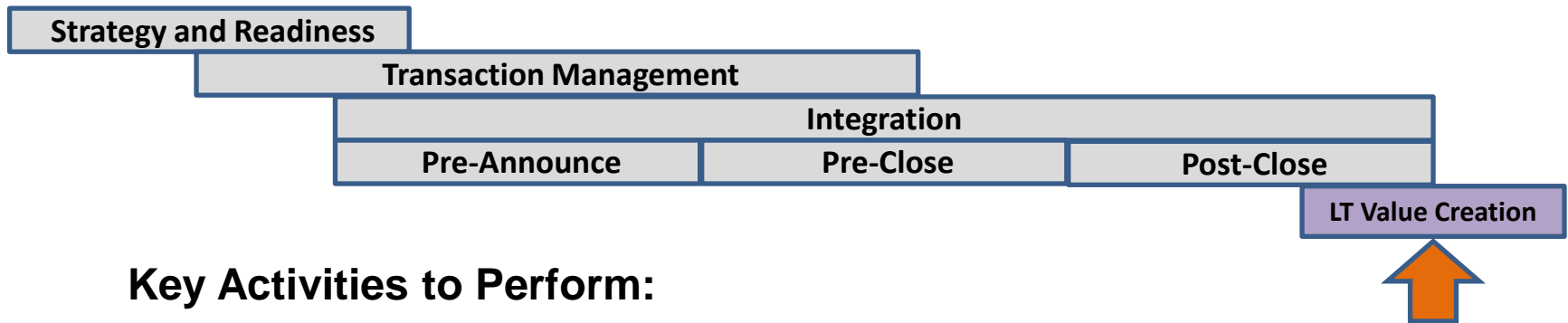
Integration: Post-Close



Key Activities to Perform:

- Execute Day 1 (and next 90+ days) activities and priorities
- Issue Employment/Severance Packages
- Launch Transition Management: priorities, structure, resources (including TSA, if applicable)
- Install Interim Solutions for Key Business Control and Management (still maintaining parallel operations and systems until “cut-over”)
- Begin “New Employee” Assimilation and Training
- Launch Consolidation and Integration projects
- Rollout “Newco”: management team, org structure, business model
- Track and Book Business Benefits

Long-term Value Creation



Key Activities to Perform:

- Systems Cut-over
- Move from Transition Management to Steady State
- Roll-off Transition Staff and Interim Parallel Operations
- Complete Consolidation/Integration Projects and Book Benefits
- Conduct Post-Mortems on Learning's
- **Begin Optimizing the Combined Business:**
 - Transformation Projects
 - Value Creation Priorities
 - Re-engineering, Re-skilling, and Leverage of Technologies